latest

ANGLO-CANADIAN TELEPHONE COMPANY

Fourteenth Annual

Report

1948

231 ST. JAMES STREET, WEST

MONTREAL

URVIS HALL
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McGILL UNIVERSITY

ANGLO-CANADIAN TELEPHONE COMPANY

231 St. James Street, West

MONTREAL

22nd March, 1949.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Fourteenth Annual Report of the Anglo-Canadian Telephone Company, covering the calendar year 1948.

During the past year the Company sold an additional 15,000 shares of 4½% Cumulative Preferred Stock, the proceeds amounting to $750,000. A large part of the proceeds, together with advances previously made to the British Columbia Telephone Company totaling $1,300,000, were used to subscribe to an additional 15,000 shares of Ordinary Stock of the British Columbia Telephone Company, which stock was issued at a price of $125 per share. The greater part of the remaining proceeds were advanced to other wholly owned subsidiaries to be used in connection with their expansion programs.

As explained in reports for prior years, this Company, together with a subsidiary, owns a substantial interest in the Philippine Long Distance Telephone Company. Since the issuance of this Company's report for last year, there have been no further developments relative to the claim filed with the U.S.—Philippine War Damage Commission for loss or damage incurred to the property during the war. At December 31, 1948 the Philippine Long Distance Telephone Company had approximately 11,000 stations back in service, an increase of approximately 4,400 stations since December 31, 1947, and additional stations are being restored to service as rapidly as the needed material and equipment can be obtained for reconstruction work.

As in the past, and because of our substantial interest in the British Columbia Telephone Company, we are enclosing their Annual Report for the year 1948, which should be of interest to the Shareholders.

For the Board of Directors,

F. S. SPRING,

President.

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS
ESTABLISHED 1869
CABLES RIDSTED MONTREAL

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P.O. BOX 2398 PLACE D'ARMES
MONTREAL, I

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Alex E.Pierce
W.Dick Thomson
James W.McLeod
Allan B.Smith
A.Van Harris

TO THE SHAREHOLDERS,
ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the Balance Sheet as at 31st December, 1948, of Anglo-Canadian Telephone Company. In connection therewith, while we did not make a detailed audit of the transactions, we examined or tested accounting records of the Company and other supporting evidence and also made a general review of its accounting methods for the year ended 31st December, 1948.

We have not examined the accounts of all of the Company's subsidiary companies but have received and examined reports rendered by other independent auditors on the accounts of such companies not examined by us for the year ended 31st December, 1948.

The Company owns, or controls through its subsidiary, 24,019 shares of 100 Pesos each of Philippine Long Distance Telephone Company (Incorporated in the Philippine Islands) out of a total issued capital of 70,571 shares. The physical assets of Philippine Long Distance Telephone Company are situated in the Philippine Islands. War damage claims have been filed by that Company with the United States Philippine War Damage Commission pursuant to the Philippine Rehabilitation Act of 1946. The amount which may eventually be recovered on war damage claims cannot be definitely ascertained at this time. No provision has been made for possible capital losses in connection with the foregoing.

Subject to the above, we report that we have obtained all the information and explanations we have required and that, in our opinion, based upon the examination referred to above and reports of subsidiary companies rendered by other independent auditors, the accompanying Balance Sheet as at 31st December, 1948 is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Auditors.

MONTREAL, 28TH FEBRUARY, 1949.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

BALANCE SHEET

As at 31st December, 1948

ASSETS

INVESTMENTS:		
Subsidiary and affiliated companies (less reserve)	$13,425,285.18	
Other investments	85,000.00	
		$13,510,285.18
DUE FROM SUBSIDIARY COMPANIES		174,169.99
CURRENT ASSETS:		
Cash	$ 618,492.38	
Interest receivable	173.51	
		618,665.89
		$14,303,121.06

LIABILITIES

CAPITAL STOCK:		
CUMULATIVE PREFERRED—par value $50.00 per share—authorized 250,000 shares, issued and outstanding 125,000 shares of 4½% Preferred	$ 6,250,000.00	
CLASS A—par value $10.00 per share—authorized 850,000 shares, issued and outstanding 487,100 shares	4,871,000.00	
DEFERRED—par value $10.00 per share—authorized 200,000 shares, issued and outstanding 200,000 shares	2,000,000.00	
		$13,121,000.00
DUE TO SUBSIDIARY COMPANY		5,000.00
CURRENT LIABILITIES:		
Accounts payable	$ 2,525.85	
Accrued taxes (including provision for Dominion and Provincial taxes)	14,183.24	
Dividends accrued (subsequently declared)	46,875.00	
		63,584.09
RESERVE FOR EMPLOYEES' BENEFITS		26,000.00
SURPLUS:		
Reserved for general contingencies	$ 100,000.00	
Unappropriated surplus	987,536.97	
		1,087,536.97
		$14,303,121.06

Approved on Behalf of the Board of Directors:

THEODORE S. GARY, *Director* F. S. SPRING, *Director*

This is the Balance Sheet referred to in our Report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

MONTREAL, 28TH February, 1949.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

STATEMENT OF INCOME AND SURPLUS
For the Year Ended 31st December, 1948

INCOME ACCOUNT

INCOME:		
Subsidiary and affiliated companies (dividends, interest and other income)	$827,502.75	
Other companies	500.00	$ 828,002.75
EXPENSES:		
General and administrative expenses	$ 89,470.65	
Provision for Dominion and Provincial Income taxes	10,369.92	
Other taxes	1,833.45	101,674.02
Net Income		$ 726,328.73
APPROPRIATION FROM INCOME:		
To reserve for general contingencies		25,000.00
Balance of Income		$ 701,328.73

SURPLUS ACCOUNT

BALANCE AS AT 31ST DECEMBER, 1947		$ 860,306.32
ADD:		
Balance of Income for the year ended 31st December, 1948		701,328.73
		$1,561,635.05
DEDUCT:		
Commission on sale 4½% Cumulative Preferred Stock	$ 75,000.00	
Less: Transfer from Investment Reserve of realized profits from 1st January, 1946 to 31st December, 1948	65,311.75	9,688.25
		$1,551,946.80
DEDUCT:		
Dividends paid or provided for:		
4½% Cumulative Preferred Stock	$272,149.83	
Class A Stock	292,260.00	564,409.83
Balance as at 31st December, 1948		$ 987,536.97

DIRECTORS

A. F. ADAMS
R. L. BENSON
A. E. CARLSON
V. E. CHANEY
JAMES A. CODE, JR.
M. A. COLEFAX
ERNEST E. EVANS
GORDON FARRELL
THEODORE S. GARY
G. L. GRAWOLS
VISCOUNT HINCHINGBROOKE
HUGH MACKAY
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SIR ALEXANDER ROGER
F. S. SPRING
EMMETT SWANSON
A. S. TORREY
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T. C. WOODS

OFFICERS

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F. S. SPRING - - - - - - - - - - - - *President*
V. E. CHANEY - - - - - - - - - - - *Vice-President*
JAMES A. CODE, JR. - - - - - - - - - - *Vice-President*
GORDON FARRELL - - - - - - - - - - *Vice-President*
THEODORE S. GARY - - - - - - - - - *Vice-President*
CAMERON HOUGH - - - - - - - - - *Secretary and Treasurer*

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